

TSX ALPHA

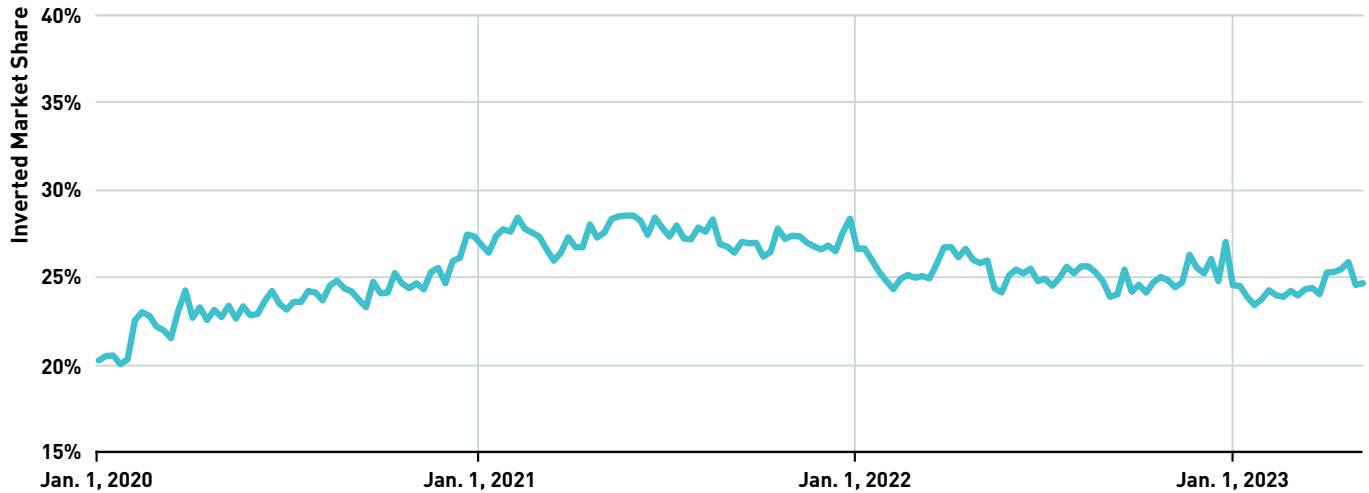
Canadian Inverted Landscape Overview



In the ever-evolving landscape of the Canadian capital markets, inverted marketplaces have emerged as a robust and essential component as these markets play a pivotal role in facilitating the execution of retail and institutional orders.

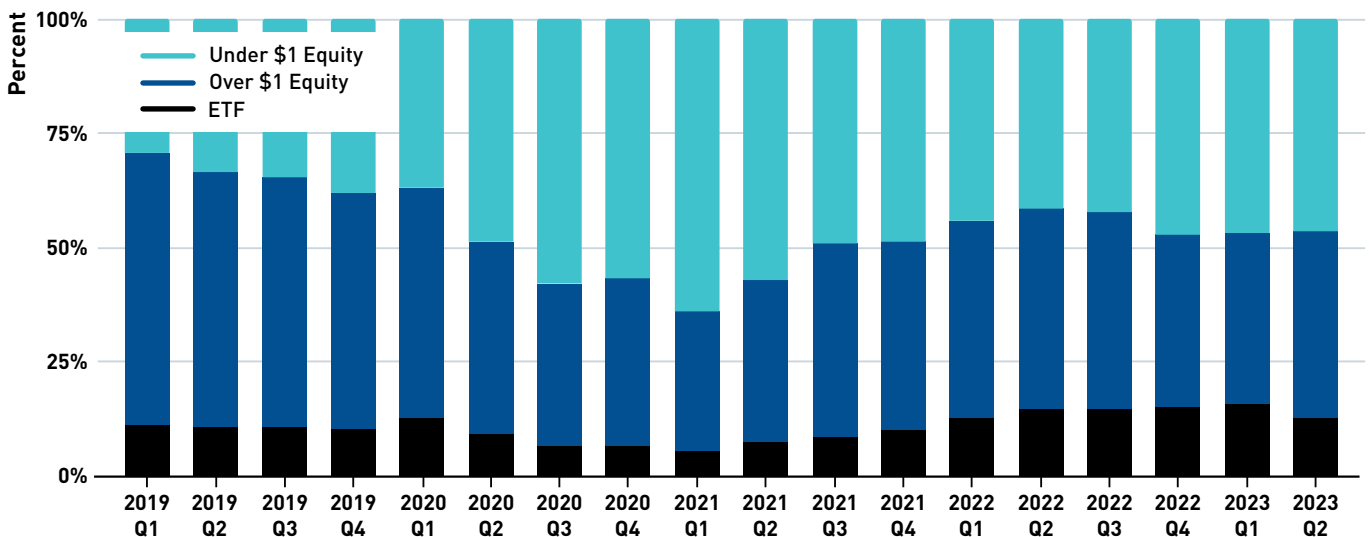
In recent years, market participants have increasingly evolved toward executing a greater number of orders through inverted marketplaces. This trend is illustrated in Figure 1, which shows the growth in inverted market share. Note the elevated inverted-venue market share throughout 2021, reaching a peak of 28% of the total traded volume on February 7th, 2021.

FIGURE 1
Canadian Inverted Market Share, TSX & TSV Listed



The composition of the Canadian inverted markets has evolved in recent years. During late 2020 and early 2021, fuelled by the well-known “retail boom” worldwide, low-priced (under \$1) Equity trading surged to nearly 70% of total Canadian inverted volume. In subsequent months, this phenomenon has faded and the composition at present day has returned to its 2019 (pre-pandemic) levels. This is illustrated in Figure 2 below.

FIGURE 2
Inverted Market Product Breakdown



Alpha Market Quality & Market Share

Alpha continues to demonstrate its exceptional leadership in driving the overall health of the inverted Canadian market. From an execution quality perspective, Alpha stands out as the unrivaled leader amongst inverted venues, consistently present at the NBBO an impressive 57% of the time (Figure 3). Moreover, Alpha continues to set new industry standards by offering the largest average trade size amongst its competitors, with an average of 194 shares per trade (Figure 4). In addition, Alpha maintains its position at the forefront by consistently providing ample liquidity, with an average of 1,000 shares at the NBBO (Figure 5). Alpha remains the go to choice for traders seeking optimal market conditions.

FIGURE 3
Percent Time at NBBO, TSX S&P 60 Symbols

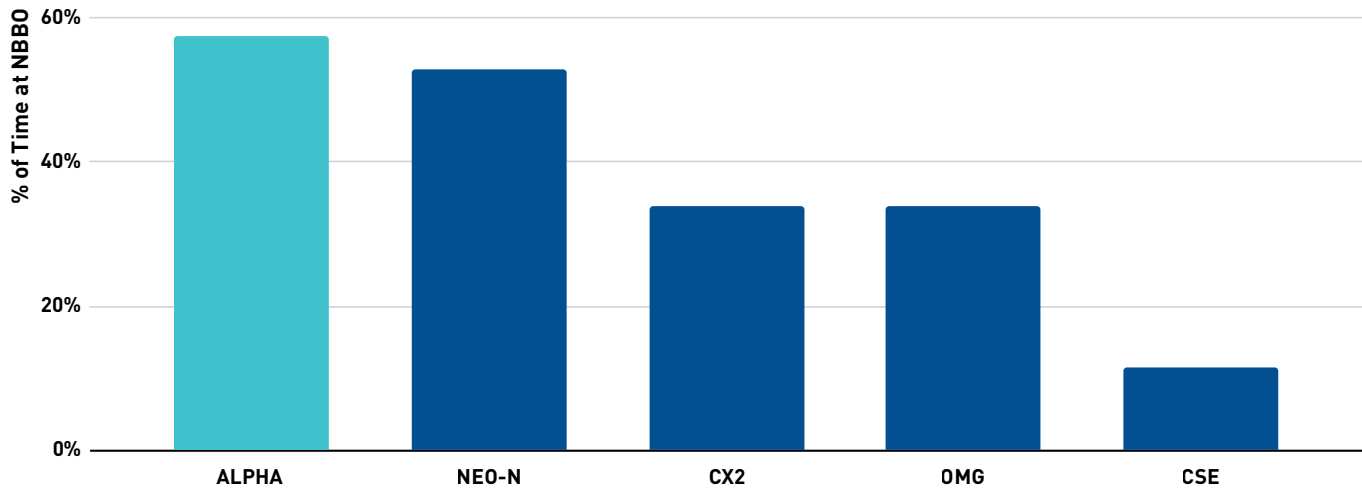


FIGURE 4
Average Trade Size, TSX S&P 60 Symbols

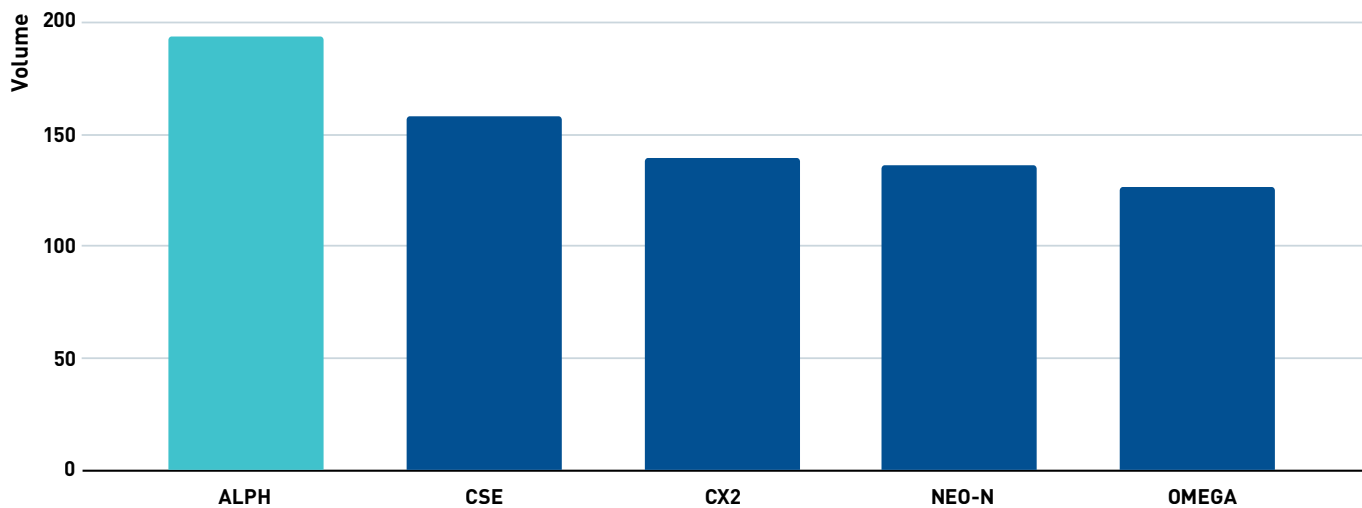


FIGURE 5

Inverted Venues Average Volume at NBB0, TSX S&P 60 Symbols

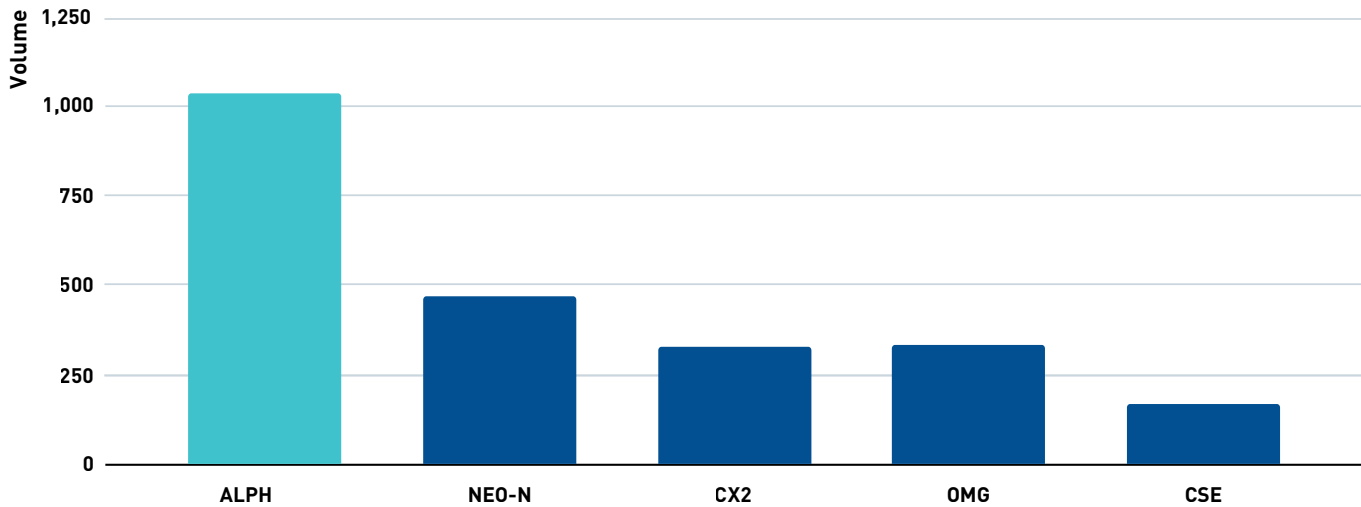
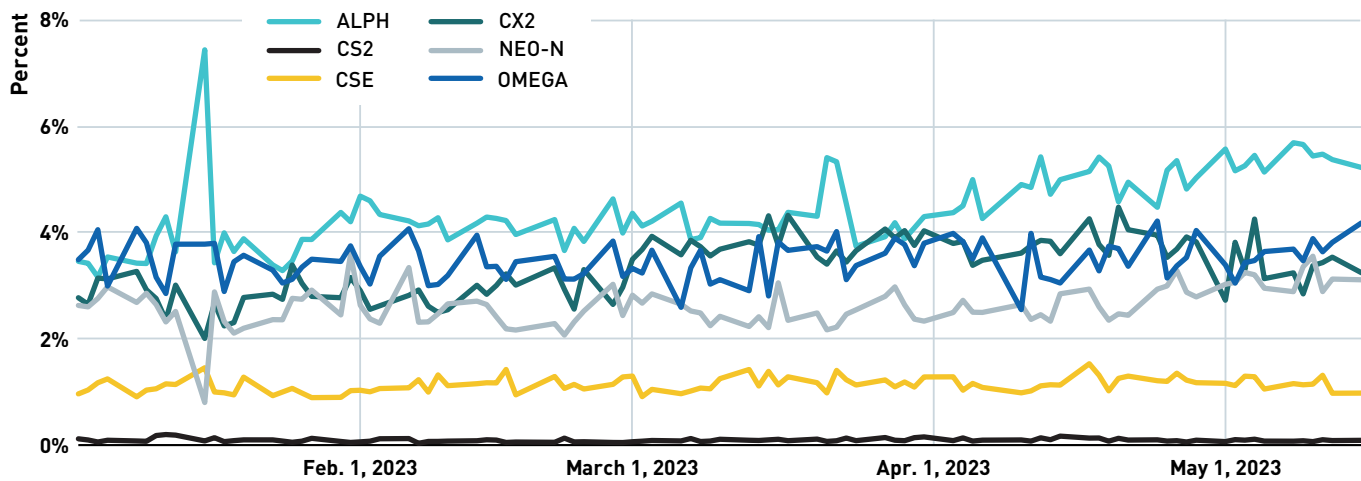


Figure 6 below illustrates the inverted venue market share in relation to the entire Canadian market in 2023 YTD. Note the clear upward trend for Alpha since April 1st, 2023. As a result, Alpha has steadily expanded its market share, cementing its position as a preferred choice amongst traders and investors.

FIGURE 6

Inverted Venue Market Share for TSX S&P 60 Symbols, Excluding Odd Lots, Auctions & Intentional Crosses

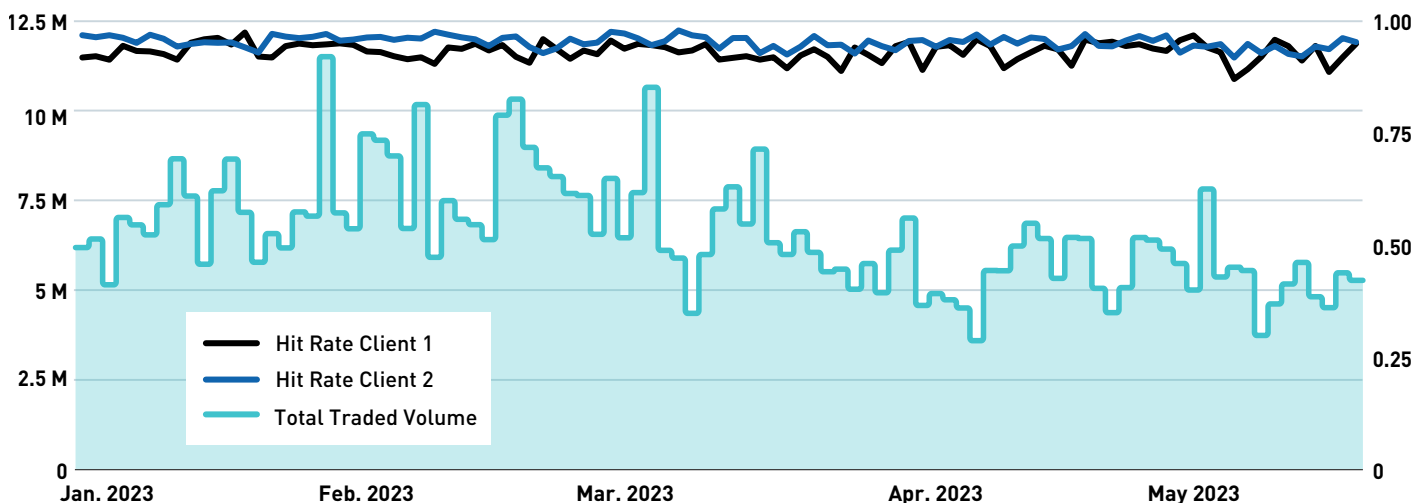


Alpha is specifically crafted to enhance the overall experience for our valued active clients. We believe that the most effective way to gauge this exceptional experience is by comparing the amount of easily tradable liquidity when orders enter Alpha’s speedbump with the liquidity that is ultimately traded upon exiting the speedbump. This allows us to capture any missed opportunities resulting from the speedbump mechanism. We continuously track and measure these rates to ensure that our speedbump does not inadvertently create unfavorable experiences for unintended participant groups. As a result, based on our analysis and market feedback, we propose to alter our dynamic speedbump (1-3 milliseconds) to a static speedbump of 1 millisecond.

Our comprehensive analysis for 2023 YTD reveals remarkable results for clients who have adopted optimized Alpha-preferencing routing behaviors. These clients have achieved outstanding interaction rates, with optimized client 1 consistently averaging an impressive 95% interaction rate, while optimized client 2 maintains a strong interaction rate of 93%.

These interaction rates are illustrated in Figure 7 below.

FIGURE 7
Alpha Interaction Rates



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